

## Human Rights and Equal Opportunity Commission Statement by the Chief Executive

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In my opinion, the attached financial statements give a true and fair view of the matters required by Schedule 2 to the Finance Minister's Orders made under section 63 of the *Financial Management and Accountability Act 1997*.



Alice E. S. Tay  
President

September 2000

**Human Rights and Equal Opportunity Commission**  
**Agency Operating Statement**  
*for the year ended 30 June 2000*

	Notes	1999-2000 \$	1998-99 \$
<b>Operating revenues</b>			
Revenues from government	3.1	14,426,000	12,362,517
Sales of goods and services	3.2	3,245,221	2,512,221
Interest	3.3	62,741	-
<b>Total operating revenues</b>		<b>17,733,962</b>	<b>14,874,738</b>
<b>Operating expenses</b>			
Employees	4.1	9,015,177	8,114,104
Suppliers	4.2	7,361,150	6,476,392
Depreciation and amortisation	4.3	641,025	820,829
Write-down of assets	4.4	708,135	151,870
<b>Total operating expenses</b>		<b>17,725,487</b>	<b>15,563,194</b>
<b>Operating surplus/(deficit)</b>		<b>8,475</b>	<b>(688,457)</b>
<b>Accumulated results at 1 July 1999</b>		<b>(1,947,084)</b>	<b>(1,258,627)</b>
<b>Accumulated results at 30 June 2000</b>		<b>(1,938,609)</b>	<b>(1,947,084)</b>

The accompanying notes form an integral part of these statements

**Human Rights and Equal Opportunity Commission**  
**Agency Balance Sheet**  
*as at 30 June 2000*

	Notes	1999-00 \$	1998-99 \$
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash		1,537,633	18,998
Receivables	5	622,609	1,351,125
<b>Total financial assets</b>		<b>2,160,242</b>	<b>1,370,123</b>
<b>Non-financial assets</b>			
Infrastructure, plant and equipment	6.1,6.2	2,236,575	3,040,190
Intangibles	6.3	97,926	99,268
Other	6.4	91,331	228,351
<b>Total non-financial assets</b>		<b>2,425,832</b>	<b>3,367,809</b>
<b>Total assets</b>		<b>4,586,074</b>	<b>4,737,932</b>
<b>LIABILITIES</b>			
<b>Debt</b>			
Other	7	3,055,075	3,775,962
<b>Total debt</b>		<b>3,055,075</b>	<b>3,775,962</b>
<b>Provisions and payables</b>			
Employees	8.1	2,048,111	1,777,478
Suppliers	8.2	270,905	69,539
<b>Total provisions and payables</b>		<b>2,319,016</b>	<b>1,847,017</b>
<b>Total liabilities</b>		<b>5,374,091</b>	<b>5,622,979</b>
<b>EQUITY</b>			
Capital		1,095,000	1,006,445
Reserves		55,592	55,592
Accumulated results		(1,938,609)	(1,947,084)
<b>Total equity</b>	9	<b>(788,017)</b>	<b>(885,047)</b>
<b>Total liabilities and equity</b>		<b>4,586,074</b>	<b>4,737,932</b>
<b>Current liabilities</b>		<b>2,256,805</b>	<b>1,792,307</b>
<b>Non-current liabilities</b>		<b>3,117,286</b>	<b>3,830,672</b>
<b>Current assets</b>		<b>2,251,573</b>	<b>1,598,474</b>
<b>Non-current assets</b>		<b>2,334,501</b>	<b>3,139,458</b>

The accompanying notes form an integral part of these statements

**Human Rights and Equal Opportunity Commission**  
**Statement of Cash Flows**  
*for the year ended 30 June 2000*

	Notes	1999-00 \$	1998-99 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations for outputs		15,435,000	14,436,813
Sales of goods and services		2,983,893	1,194,877
Interest		62,741	-
<b>Total cash received</b>		<b>18,481,634</b>	15,631,690
<b>Cash used</b>			
Employees		8,580,036	8,078,457
Suppliers		7,842,805	7,328,276
<b>Total cash used</b>		<b>16,422,842</b>	15,406,733
<b>Net cash from operating activities</b>	10	<b>2,058,792</b>	224,957
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of property, plant and equipment		3,107	-
<b>Total cash received</b>		<b>3,107</b>	-
<b>Cash used</b>			
Purchase of infrastructure, plant and equipment		(543,265)	(223,188)
<b>Total cash used</b>		<b>(543,265)</b>	(223,188)
<b>Net cash from investing activities</b>		<b>(540,158)</b>	(223,188)
<b>Net increase/(decrease) in cash held</b>		<b>1,518,634</b>	1,769
add cash at 1 July 1999		18,998	17,229
<b>Cash at 30 June 2000</b>		<b>1,537,633</b>	18,998

The accompanying notes form an integral part of these statements

**Human Rights and Equal Opportunity Commission**  
**Schedule of Commitments**  
*as at 30 June 2000*

	1999-00 \$	1998-99 \$
<b>BY TYPE</b>		
<b>CAPITAL COMMITMENTS</b>		
Infrastructure, plant and equipment	-	-
<b>Total capital commitments</b>	<u>-</u>	<u>-</u>
<b>OTHER COMMITMENTS</b>		
Operating leases	9,502,241	11,681,980
Other commitments	379,793	366,601
<b>Total other commitments</b>	<u>9,882,034</u>	<u>12,048,581</u>
<b>COMMITMENTS RECEIVABLE</b>	<b>(1,932,576)</b>	<b>(2,366,620)</b>
<b>Net commitments</b>	<u><u>7,949,458</u></u>	<u><u>9,681,961</u></u>
<b>BY MATURITY</b>		
<b>All net commitments</b>		
One year or less	2,264,524	2,174,921
From one to two years	1,831,157	1,853,071
From two to five years	3,853,777	5,653,968
Over five years	-	-
<b>Net commitments</b>	<u><u>7,949,458</u></u>	<u><u>9,681,961</u></u>
<b>Operating Lease Commitments</b>		
One year or less	2,367,876	2,242,364
From one to two years	2,314,301	2,336,215
From two to five years	4,820,064	7,103,400
Over five years	-	-
<b>Net commitments</b>	<u><u>9,502,241</u></u>	<u><u>11,681,980</u></u>

**Schedule of Contingencies**  
*as at 30 June 2000*

<b>CONTINGENT LOSSES</b>	<b>(70,000)</b>	-
<b>Total contingent losses</b>	<u>(70,000)</u>	<u>-</u>
<b>CONTINGENT GAINS</b>	-	-
<b>Total contingent gains</b>	<u>-</u>	<u>-</u>
<b>Net contingencies</b>	<b>(70,000)</b>	-

**Schedule of Unquantifiable Contingencies**

As at 30 June 2000, the Commission was named as respondent in a number of matters before the Federal Court of Australia, one matter before the Supreme Court of NSW and one before the District Court of South Australia that challenge administrative decisions of the Commission. It is not possible to estimate the amounts of any eventual payments that may be required in relation to these claims, though it is not common for costs to be awarded against the Commission.

The accompanying notes form an integral part of these statements

# Human Rights and Equal Opportunity Commission

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2000

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### Note 1 - OBJECTIVES OF THE HUMAN RIGHTS AND EQUAL OPPORTUNITY COMMISSION

The Commission's objective is 'an Australian society in which the human rights of all are respected and promoted.' The Commission aims to ensure that Australians:

- have access to independent human rights complaint handling and public inquiries processes; and
- benefit from human rights education, promotion, monitoring and compliance activities.

### Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of Accounting

The financial statements are required by section 49 of the *Financial Management and Accountability Act 1997* and are a general purpose financial report.

The statements have been prepared in accordance with:

- *Requirements for the Preparation of Financial Statements of Commonwealth Agencies and Authorities* made by the Minister for Finance and Administration in August 1999 (Schedule 2 to the Financial Management and Accountability (FMA) Orders).
- Australian Accounting Standards;
- other authoritative pronouncements of the Australian Accounting Standard Boards; and
- the Consensus Views of the Urgent Issues Group.

The statements have been prepared having regard to:

- Statements of Accounting Concepts
- the Explanatory Notes to Schedule 2 issued by the Department of Finance and Administration.

The financial statements have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets which as noted, are at valuation. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The continued existence of the Commission in its present form, and with its present functions, is dependent on Government policy and on continuing appropriations by Parliament for the Commission's administration and functions.

The Human Rights and Equal Opportunity Commission is part of the legal entity that is the Commonwealth Government which is ultimately responsible for all the agency's debts. The existence of total liabilities in excess of total assets of the agency as reported in the Balance Sheet has no bearing on whether the agency's debts will be met.

#### 2.2 Changes in Accounting Policy

Changes in accounting policy have been identified in this note under their appropriate headings.

#### 2.3 Agency and Administered items

The Commission has no administered items.

#### 2.4 Reporting by Outcomes

A comparison of Budget and Actual figures by outcome specified in the Appropriation Acts relevant to the Agency is presented in Note 17. The net cost to Budget outcomes shown includes intra-government costs that are eliminated in calculating the actual budget outcome for the Government overall.

The Commission has one outcome.

## 2.5 Revenues from government

Revenues from government are revenues relating to the core operating activities of the Commission. Policies for accounting for revenue from government follow; amounts and other details are given in Note 3.1.

### *Agency Appropriations*

From 1 July 1999, the Commonwealth Budget has been prepared under an accruals framework.

Appropriations to the Commission for its departmental outputs are recognised as revenue to the extent that they have been received into the Commission's Bank account or are entitled to be received by the Commission at year end.

The appropriations for departmental capital items for 1999-2000 include, as carry-overs, the re-appropriation to the Commission of certain unspent amounts from 1998-99. These amounts were recognised directly in equity in the financial statements for 1998-99.

This is a change in the policy in prior years when agency appropriations, other than running costs, were recognised as revenue to the extent that the appropriations were spent. Amounts appropriated for agency running costs were recognised as revenue in the year of appropriation, except to the extent of: unspent amounts not automatically carried over into the new financial year; and running costs borrowings.

### *Resources Received Free of Charge*

Services received free of charge are recognised in the Operating Statement as revenue when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

## 2.6 Other Revenue

Revenue from the sale of goods is recognised upon delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Dividend revenue is recognised when the right to receive a dividend has been established. Revenue from disposal of non-current assets is recognised when control of the asset has passed to the buyer.

Agency revenue from the rendering of a service is recognised by reference to the stage of completion of contracts or other agreements to provide services to Commonwealth bodies. The stage of completion is determined according to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

All revenues described in this note are revenues relating to the core operating activities of the Commission, whether in its own right or on behalf of the Commonwealth. Details of revenue amounts are given in Note 3.2.

## 2.7 Employee entitlements

### *Leave*

The liability for employee entitlements includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Commission is estimated to be less than the annual entitlement for sick leave.

The liability for annual leave and current long service leave reflects the value of total annual leave entitlements of all employees at 30 June 2000 and is recognised at the nominal amount.

The non-current proportion of the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at 30 June 2000. In determining the present value of the liability, the Commission has taken into account attrition rates and pay increases through promotion and inflation.

### *Separation and redundancy*

Provision is also made for separation and redundancy payments in circumstances where the Commission has formally identified positions as excess to requirements and a reliable estimate of the amount of the payments can be determined.

### *Superannuation*

Staff of the Commission contribute to the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS). Employer contributions amounting to \$730,948 (1998-99:\$650,570) in relation to these schemes have been expensed in these financial statements.

No liability is shown for superannuation in the Balance Sheet as the employer contributions fully extinguish the accruing liability which is assumed by the Commonwealth.

Employer Superannuation Productivity Benefit contributions totaled \$140,482 (1998-99: \$135,149).

## **2.8 Leases**

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains all such risks and benefits. All leases entered into by the Commission have been classified as Operating Leases and lease payments are treated as expenses in the reporting period in which they are incurred.

Operating lease rentals as shown in Note 4.2 represent actual rental expense for the year adjusted for the impact of lease incentives. Calculations are in accordance with mandatory reporting requirements.

Lease incentives taking the form of 'free' leasehold improvements and rent holidays are recognised as liabilities. These liabilities are reduced by allocating lease payments between rental expense and reduction of the liability.

The lease incentive recognised as a result is amortised over the lease term by allocating a portion of the rent expense against the current balance. Fixed assets that are recognised are depreciated over the term of the lease.

## **2.9 Cash**

Cash includes notes and coins held and any deposits held at call with a bank or financial institution.

## **2.10 Financial Instruments**

Accounting policies for financial instruments are stated at Note 16.

## **2.11 Acquisition of Assets**

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

## **2.12 Property, plant and equipment**

### *Asset recognition threshold*

All depreciable non-current assets with historical cost equal to or in excess of \$2000 are capitalised in the year of acquisition and included on the Commission's Asset Register. Except where stated all plant and equipment is valued at historical cost.



### *Revaluations*

Schedule 2 requires that property, plant and equipment be progressively revalued in accordance with the 'deprival' method of valuation by no later than 1 July 1999 and thereafter be revalued progressively on that basis every three years.

Assets in each class acquired after the commencement of the progressive revaluation cycle are not captured by the progressive revaluation then in progress.

The Commission recognises property plant and equipment other than land at its depreciated replacement cost.

Any assets which would not be replaced or are surplus to the requirements are valued at net realisable value. At 30 June 2000, the Commission had no assets in this situation.

All valuations are independent.

### *Recoverable amount test*

Schedule 2 requires the application of the recoverable amount test to departmental non-current assets in accordance with AAS 10 Accounting for the Revaluation of Non-Current Assets. The carrying amounts of these non-current assets have been reviewed to determine whether they are in excess of their recoverable amounts. In assessing recoverable amounts, the relevant cash flows have been discounted to their present value.

### *Depreciation and Amortisation*

Depreciation is calculated on a straight line basis so as to write off the cost of each item of property, plant and equipment over its expected useful life. For leasehold improvements the depreciation is calculated over the lease term or the useful life, whichever is the shorter.

Depreciation/amortisation rates (useful lives) and methods are reviewed at each balance date and necessary adjustments are recognised in the current, and future reporting periods, as appropriate. Residual values are re-estimated for a change in prices only when assets are revalued.

Depreciation and amortisation rates applying to each class of depreciable asset are based on the following useful lives:

	<b>1999-2000</b>	1998-99
Leasehold improvements	<b>Lease term</b>	Lease term
Plant and equipment	<b>4 to 10 years</b>	4 to 10 years

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 4.3.

## 2.13 Taxation

The Commission's activities are exempt from all forms of taxation except fringe benefits tax and the goods and services tax.

## 2.14 Foreign Currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date. Associated currency gains and losses are not material.

## 2.15 Insurance

The Commonwealth's insurable risk managed fund, called Comcover, commenced operations in 1998-99. The Commission has insured with the fund for risks other than workers' compensation, which is dealt with via continuing arrangements with Comcare.

The new arrangements replace the previous policy of non-insurance and require the systematic identification, quantification, reporting and management of risk across the Commission.

## 2.16 Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required.

Comparatives are not presented in the Notes dealing with the Reporting on Outcomes, due to 1999-2000 being the first year of the implementation of accrual budgeting.

	1999-00 \$	1998-99 \$
<b>Note 3 - Operating revenues</b>		
<b>3.1 Revenues from government</b>		
Appropriations for outputs	14,396,000	12,231,757
Resources received free of charge	30,000	130,760
Total	<u>14,426,000</u>	<u>12,362,517</u>
<b>3.2 Sales of goods and services</b>		
Goods	649,044	1,080,255
Services	2,596,177	1,431,966
Total	<u>3,245,221</u>	<u>2,512,221</u>
<b>3.3 Interest from deposits</b>	<u>62,741</u>	<u>-</u>
<b>Note 4 - Operating expenses</b>		
<b>4.1 Employee expenses</b>		
Remuneration (for services provided)	8,730,988	8,014,274
Separation and Redundancy	284,189	99,830
Total	<u>9,015,177</u>	<u>8,114,104</u>
<b>4.2 Suppliers Expenses</b>		
Supply of goods and services	6,493,204	5,535,309
Operating lease rentals	867,946	941,082
Total	<u>7,361,150</u>	<u>6,476,392</u>
<b>4.3 Depreciation and Amortisation</b>		
Depreciation of property, plant and equipment	170,442	176,329
Amortisation of leased assets	437,941	574,574
Intangibles - Computer software	32,642	69,926
Total	<u>641,025</u>	<u>820,829</u>

Depreciation expenses in 1999-00 are \$69,160 lower than they would have been, as a result of the revaluation of leasehold improvement assets which have been revalued (1998-99: \$284,207).

	1999-00	1998-99
	\$	\$
<b>4.4 Write-down of assets</b>		
Financial Assets		
Receivables	4,043	7,226
Non-Financial Assets		
Plant and equipment - revaluation decrement	653,376	-
Plant and equipment - write-off	50,716	144,644
Total	<u>708,135</u>	<u>151,871</u>

#### Note 5 - Financial Assets

##### Receivables

Appropriations	56,000	1,006,445
Goods and services	570,652	351,906
Less: Bad debts written-off	(4,043)	(7,226)
Total	<u>622,609</u>	<u>1,351,125</u>

##### Receivables (gross) which are overdue are aged as follows:

Not overdue	381,726	1,006,445
Overdue by:		
Less than 30 days	38,414	325,958
30 days to 60 days	175,377	18,722
60 to 90 days	717	-
more than 90 days	26,375	-
Total	<u>622,609</u>	<u>1,351,125</u>

#### Note 6 - Non-financial assets

##### 6.1 Infrastructure, Plant & Equipment

Plant & Equipment at cost	237,585	-
Less: Accumulated depreciation	(23,727)	-
	<u>213,858</u>	<u>-</u>
Plant & Equipment at 1998-99 valuation	1,124,493	1,161,450
Less: Accumulated depreciation	(876,770)	(741,150)
	<u>247,723</u>	<u>420,300</u>
Leasehold improvements at cost	274,380	5,420,253
Less: Accumulated amortisation	(43,468)	(2,800,363)
	<u>230,912</u>	<u>2,619,890</u>
Leasehold improvements at 1999-00 valuation	4,169,310	-
Less: Accumulated depreciation	(2,625,228)	-
	<u>1,544,082</u>	<u>-</u>
Total	<u>2,236,575</u>	<u>3,040,190</u>

The revaluations were as at 1 July 1999 in accordance with the progressive revaluation policy stated at Note 2 and were completed by an independent valuer, Australian Valuation Office.

Revaluation decrements of \$653,376 for leasehold improvements were expensed.

## 6.2 Analysis of Property, Plant, Equipment and Intangibles

TABLE A: Movement summary 1999-00 for all assets irrespective of valuation basis

Item	Land	Buildings	Total Land & Buildings	Infrastructure, Plant & Equipment	Computer software - total intangibles	Total
	\$	\$	\$	\$	\$	\$
<b>Gross Value as at 1 July 1999</b>	-	-	-	6,581,703	270,997	6,852,700
Additions:	-	-	-	-	-	-
- acquisitions of replacement assets	-	-	-	468,229	-	468,229
- acquisition of new assets	-	-	-	43,736	31,300	75,036
Revaluations: write-ups (write-downs)	-	-	-	(1,108,558)	-	(1,108,558)
Write-offs	-	-	-	(150,247)	-	(150,247)
Disposals	-	-	-	(29,095)	-	(29,095)
<b>Gross Value as at 30 June 2000</b>	-	-	-	5,805,768	302,297	6,108,065
<b>Accumulated Depreciation/Amortisation as at 1 July 1999</b>	-	-	-	3,541,513	171,729	3,713,242
Depreciation/Amortisation charges for assets held 1 July 1999	-	-	-	541,188	24,817	566,005
Depreciation/Amortisation charges for additions	-	-	-	67,195	7,825	75,020
Revaluations	-	-	-	(455,182)	-	(455,182)
Write-offs	-	-	-	(114,447)	-	(114,447)
Disposals	-	-	-	(11,074)	-	(11,074)
<b>Accumulated Depreciation/Amortisation as at 30 June 2000</b>	-	-	-	3,569,193	204,371	3,773,564
<b>Net book value as at 30 June 2000</b>	-	-	-	2,236,575	97,926	2,334,501
<b>Net book value as at 1 July 1999</b>	-	-	-	3,040,190	99,268	3,139,458

TABLE B: Summary of balances of assets at valuation at 30 June 2000

Item	Land	Buildings	Total Land & Buildings	Infrastructure, Plant & Equipment	Computer software - total intangibles	Total
	\$	\$	\$	\$	\$	\$
<b>As at 30 June 2000</b>						
Gross Value	-	-	-	5,293,803	-	5,293,803
Accumulated Depreciation/Amortisation	-	-	-	(3,501,998)	-	(3,501,998)
<b>Net book value</b>	-	-	-	1,791,805	-	1,791,805
<b>As at 30 June 1999</b>						
Gross Value	-	-	-	1,161,450	-	1,161,450
Accumulated Depreciation/Amortisation	-	-	-	(741,150)	-	(741,150)
<b>Net book value</b>	-	-	-	420,300	-	420,300

	1999-00	1998-99
	\$	\$
<b>6.3 Intangibles</b>		
Computer software - internally developed	302,297	270,997
Less: Accumulated depreciation	(204,371)	(171,729)
Total	<u>97,926</u>	<u>99,268</u>
<b>6.4 Other</b>		
Prepayments		
Rent	-	125,194
Other	91,331	103,157
Total	<u>91,331</u>	<u>228,351</u>
<b>Note 7 - Other Debt</b>		
Lease incentives	<u>3,055,075</u>	<u>3,775,962</u>

	1999-00	1998-99
	\$	\$
<b>Note 8 - Payables and Provisions</b>		
<b>8.1 Employees</b>		
Salaries and wages	268,902	123,272
Leave	1,594,907	1,567,530
Superannuation	30,394	5,298
Workers' compensation	-	-
Separation and redundancies	153,908	81,378
Total	<u>2,048,111</u>	<u>1,777,478</u>
<b>8.2 Suppliers</b>		
Trade creditors	266,930	69,539
Operating lease rentals	3,975	-
Total	<u>270,905</u>	<u>69,539</u>

**Note 9 - Equity**

Item	Capital		Accumulated Results		Asset revaluation reserve		Total reserves		TOTAL EQUITY	
	1999-00	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00	1998-99
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance 30 June 1999	1,006,445	-	(1,947,084)	(1,258,627)	55,592	-	55,592	-	(885,047)	(1,258,627)
Equity rounding adjustment prior year	(445)								(445)	
Equity appropriation	89,000								89,000	
Operating Surplus/(Deficit)	-	-	8,475	(688,457)	-	-	-	-	8,475	(688,457)
Net revaluation increases	-	-	-	-	-	55,592	-	55,592	-	55,592
Net revaluation decreases										
Unspent Appropriation	-	1,006,445	-	-	-	-	-	-	-	1,006,445
<b>Balance 1 July 2000</b>	<b>1,095,000</b>	<b>1,006,445</b>	<b>(1,938,609)</b>	<b>(1,947,084)</b>	<b>55,592</b>	<b>55,592</b>	<b>55,592</b>	<b>55,592</b>	<b>(788,017)</b>	<b>(885,047)</b>

	1999-00	1998-99
	\$	\$

**Note 10 - Cash flow reconciliation**

Reconciliation of operating surplus (deficit) to net cash provided by operating activities:

Operating surplus (deficit)	8,475	(688,457)
Recognition of capital reserve	88,555	1,006,445
Depreciation and Amortisation	641,025	820,828
Write down of non-financial assets	704,092	151,870
Proceeds on disposal of assets	-	-
(Increase)/Decrease in Receivables	728,516	(118,732)
(Increase)/Decrease in Prepayments	137,020	(15,982)
Increase/(Decrease) in Employee provision	270,631	44,708
Increase/(Decrease) in Suppliers provision	201,365	(202,108)
Increase/(Decrease) in Debt	(720,887)	(773,615)
<b>Net cash provided by operating activities</b>	<u><b>2,058,792</b></u>	<u><b>224,957</b></u>

**Note 11 - Executive Remuneration**

The number of executive officers of the Commission whose total remuneration for the financial year is more than \$100,000 is shown below in their relevant remuneration bands.

REMUNERATION OF	1999-00 Number	1998-99 Number
\$110,001-\$119,999	-	1
\$120,000-\$129,999	1	-
\$140,000-\$149,999	2	1
\$150,000-\$159,999	1	3
\$160,000-\$169,999	-	2
\$170,000-\$179,999	4	-
\$180,000-\$189,999	-	1
\$190,000-\$199,999	1	-
	<u>9</u>	<u>8</u>

	1999-00 \$	1998-99 \$
The aggregate amount of fixed remuneration received, or due and receivable, by the above officers of the Commission	<u>1,456,889</u>	<u>1,249,417</u>

The aggregate amount of separation and redundancy payments during the year to executive officers shown above	<u>87,949</u>	<u>16,858</u>
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**Note 12 - Services provided by the Auditor-General**

Financial statement audit services are provided free of charge to the Commission. The fair value of the audit services was:	30,000	30,000
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Other Services		
Amounts paid in relation to the audit of two special purpose financial reports	3,000	600

Total	<u>33,000</u>	<u>30,600</u>
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**Note 13 - Act of grace payments and waivers**

No Act of Grace payments were made during the reporting period.	-	-
No waivers of amounts owing to the Commonwealth were made pursuant to subsection 34(1) of the Financial Management and Accountability Act 1997.	-	-
	ASL	ASL

<b>Note 14 - Average Staffing Levels</b>	<u>126</u>	<u>130</u>
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**Note 15 - Appropriations**

Annual Appropriations for Commission items (price of outputs)

	1999-2000
	\$
Balance available at 1 July	-
Add: Appropriation Acts 1 & 3 Credits	
Section 6 - Act 1 - basic appropriations	14,396,000
Section 6 - Act 3 - basic appropriations	-
Section 9 - adjustments	-
Section 10 - Advance to the Finance Minister	-
Section 11 - Comcover receipts	-
Add: FMA Act	
s30 appropriations	-
s31 appropriations	3,049,741
Total appropriations available for the year	<u>17,445,741</u>
Expenditures during the year	<u>15,972,329</u>
Balance of appropriations for outputs at 30 June	1,473,412

Annual Appropriations for Commission non-revenue items

	Equity injections	Loans	Carryovers
	1999-2000	1999-2000	1999-2000
	\$	\$	\$
Balance available at 1 July	-	-	-
Add: Appropriation Act No 2 (Budget)	89,000	-	950,000
Add: Advance to the Finance Minister	-	-	-
Add: FMA ACT s30 appropriations	-	-	-
Add: Appropriation Act No 4	-	-	-
Total appropriations available for the year	<u>89,000</u>	<u>-</u>	<u>950,000</u>
Expenditure debited during the year	<u>30,506</u>	<u>-</u>	<u>950,000</u>
Balance of appropriations for capital at 30 June	58,494	-	-

**NOTE 16 - FINANCIAL INSTRUMENTS**

**a) Terms, conditions and accounting policies**

<b>Financial Instrument</b>	<b>Notes</b>	<b>Accounting Policies and Methods (Including recognition criteria and measurement basis)</b>	<b>Nature of underlying instrument (including significant terms &amp; conditions affecting the amount, timing and certainty of cash flows)</b>
<b><i>Financial Assets</i></b>		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably recognised.	
Cash		Deposits are recognised at their nominal amounts. Interest is credited to revenue as it accrues	The Commission received interest payments from term deposits and the operating account. All accounts are held at the RBA and operate under the DOFA agency banking arrangements
Receivables for goods and services	5	Receivables are recognised at the nominal amount due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provision is made when collection is judged less rather than more likely.	Balance of receivables are with entities external to the Commonwealth. Credit terms are net 30 days. (1997-98: 30 days).
Appropriations	5	Appropriations are recognised as a receivable equal to the unspent appropriation.	The appropriation receivable represents the balance of the 1998/99 carryforward.
<b><i>Financial liabilities</i></b>		Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.	
Lease incentives	7	Lease incentives are recognised as a liability at the time of receipt. The amount of the liability is reduced on a straight line over the life of the lease by allocating a portion of the rent expense against the current balance.	The Commission received lease incentives on entering a property operating lease in October 1994. Lease payments are made monthly.
Trade creditors	8.2	Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of being invoiced).	The majority of creditors are entities that are not part of the Commonwealth legal entity. Settlement is usually made net 30 days.



NOTE 16 - FINANCIAL INSTRUMENTS (Cont.)

b) Interest rate risk: Commission

Financial instrument	Notes	Floating interest rate		Fixed interest rate		Non-interest bearing		Total		Weighted average effective interest rate	
		99-00 \$	98-99 \$	99-00 \$	98-99 \$	99-00 \$	98-99 \$	99-00 \$	98-99 \$	99-00 \$	98-99 \$
<b>Financial Assets</b>											
Cash		1,531,906	-	-	-	5,727	18,998	1,537,633	18,998	5%	n/a
Receivables for goods and services	5	-	-	-	-	566,609	344,680	566,609	344,680	n/a	n/a
Appropriations	5	-	-	-	-	56,000	1,006,445	56,000	1,006,445	n/a	n/a
<b>Total Financial Assets (Recognised)</b>		1,531,906	-	-	-	628,336	1,370,123	2,160,242	1,370,123	n/a	n/a
<b>Total Assets</b>								4,586,074	4,737,932		
<b>Financial Liabilities</b>											
Lease incentives	7	-	-			3,055,075	3,775,962	3,055,075	3,775,962	n/a	n/a
Trade creditors	8.2	-	-			266,930	69,539	266,930	69,539	n/a	n/a
Operating lease rentals	8.2					3,975	-	3,975			
<b>Total Financial Liabilities (Recognised)</b>		-	-			3,325,980	3,845,501	3,325,980	3,845,501	n/a	n/a
<b>Total Liabilities</b>								5,374,091	5,622,979		

**NOTE 16 - FINANCIAL INSTRUMENTS (Cont.)**

**c) Net Fair Values of Financial Assets and Liabilities**

	Note	1999-00		1998-99	
		Total Carrying amount \$	Aggregate Net Fair value \$	Total Carrying amount \$	Aggregate Net Fair value \$
<b>Agency Financial Assets</b>					
Cash		1,537,633	1,537,633	18,998	18,998
Receivables for goods and services	5	566,609	566,609	344,680	344,680
Appropriations	5	56,000	56,000	1,006,445	1,006,445
<b>Total Financial Assets</b>		<u>2,160,242</u>	<u>2,160,242</u>	<u>1,370,123</u>	<u>1,370,123</u>
<b>Financial Liabilities (Recognised)</b>					
Lease incentives	7	3,055,075	3,055,075	3,775,962	3,775,962
Trade Creditors	8.2	266,930	266,930	69,539	69,539
Operating lease rentals	8.2	3,975	3,975	-	-
<b>Total Financial Liabilities (Recognised)</b>		<u>3,325,980</u>	<u>3,325,980</u>	<u>3,845,501</u>	<u>3,845,501</u>

*Financial Assets*

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

*Financial liabilities*

The net fair values of lease incentives liabilities are based on discounted cash flows using current interest rates for liabilities with similar risk profiles.

The net fair values for trade creditors are short-term in nature and are approximated by their carrying amounts.

**d) Credit Risk Exposures**

The Commission's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Assets and Liabilities.

The Commission has no significant exposures to any concentrations of credit risk.

All figures for credit risk referred to do not take into account the value of any collateral or other security.

**Note 17 - Reporting of Outcomes**

	<b>Outcome</b>	
	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
Net cost to Budget Outcome	14,430,000	14,387,525
Total assets deployed as at 30/6/00	3,008,000	4,586,074
Net assets deployed as at 30/6/00	(2,500,000)	(788,017)

The net cost to budget outcome shown includes intra-government costs that would be eliminated in calculating the actual budget outcome.

<b>Outcome</b>	<b>Departmental Outputs (\$)</b>				<b>Total Appropriations (\$)</b>	<b>Total Expenses (\$)</b>	
	Revenue from Government (Appropriations)			Revenue from other sources	Total price of outputs		
	(A)			(B)	(A)+(B)		
	Special Appropriations	Annual Appropriations	Total				
Outcome	-	#1	#1	#1	17,725,487	14,396,000	17,725,487
						1,039,000	
						15,435,000	

#1. It is not possible to identify expenses incurred against specific funding sources.